A GUIDE TO THE OPERATIONS OF THE SELECT STANDING COMMITTEE ON CROWN CORPORATIONS

Prepared by the Agenda and Procedure Subcommittee

Revised June 25, 2002

Revised April 28, 2003

104-07600/

INTRODUCTION

> *"Crown Corporations constitute an entity equal in size to the core part of government. I am committed to creating a strong and meaningful role for the Committee in overseeing the Crown Corporations of British Columbia."* (Ken Stewart, Chair, SSCCC)

The Select Standing Committee on Crown Corporations (SSCCC) was appointed by the Legislature on August 27, 2001 to review the Annual Reports and Service Plans of British Columbia Crown Corporations, and to report the results of its review to the Legislative Assembly.

The scope of the Committee's review will not be limited by any restrictions or parameters set for Crown Corporations by the Crown Agencies Secretariat.

The SSCCC is authorized to examine all Crown Corporations, including those without current reporting obligations. There are 25 Crown Corporations and 29 other government organizations that qualify as Crown agencies. For the sake of simplicity, this guide will refer to all these entities as "Crown Corporations." Some Crown Corporations are part of the government reporting entity (see the attached Schedule A) and a few are not (e.g. WCB, BC Pensions Corporation, BC Investment Management Corporation).

The review by the SSCCC is not intended to duplicate the work of other legislative committees, such as the Public Accounts Committee, or to overlap with the mandate of the Core Services Review Task Force, or independent enquiries. The main objectives of the Committee's work are to enhance accountability, and to improve public performance reporting of Crown Corporations.

To carry out its work, the SSCCC is empowered to hold public hearings, when the Committee deems it necessary. In certain situations, though, the Committee may, at its discretion, characterize certain information provided by Crown Corporations as confidential.

The amended *Budget Transparency and Accountability Act* (BTAA) will guide the work to be done by the SSCCC. This Act stipulates that three-year Service Plans for government organizations should be tabled in the Legislative Assembly annually, commencing with the 2002/03 fiscal year. Service Plans for 2002/03 – 2004/05 will be tabled in the Legislative Assembly on February 19, 2002.

The amended BTAA also states that Service Plans should:

- Include a statement of goals,
- Identify specific objectives and performance measures,
- Supply information in relation to a project to which Section 14 applies, and
- Include prescribed information, if applicable, and other information the responsible minister or government organization considers appropriate.

The amended BTAA also stipulates that the information contained in a Service Plan for one government organization must be readily comparable to information contained in the Service Plans of other organizations to which the BTAA applies. Consequently, the Crown Agencies Secretariat has provided government

organizations with guidelines, which identify the minimum content requirements for their Service Plans. The SSCCC may recommend to the Legislature that Service Plans in general, or a Service Plan for a particular Crown Corporation, include additional information.

THE REVIEW PROCESS

> *"Although this guide is intended to provide a structure for the work of the Committee, the lines of inquiry by the Committee into the affairs of Crown Corporations will be constrained only by the limits of the public interest."* (Bill Bennett, Deputy Chair, SSCCC)

This section of the guide is intended to provide direction to Crown Corporations and to members of the SSCCC regarding the review process.

Crown Corporations should be prepared to meet the minimum information requirements outlined in the attached Table 1. As the SSCCC is authorized to take its examination of Crown Corporations beyond the specific questions contained in Table 2, the Committee will make its best efforts to identify "extra" lines of inquiry to a Crown Corporation, prior to meeting with the SSCCC.

No later than two weeks prior to the scheduled meeting, the Office of the Clerk of Committees will inform Committee members how to access the following documents related to the Crown Corporation to be reviewed:

- Annual Report; and
- Service Plan (including 3-year budget forecast).

The SSCCC is authorized to have additional meetings with Crown Corporations, as deemed necessary by the Committee.

This guide will be reviewed periodically and refined as Crown Corporations gain more experience in developing and using Service Plans and as the Committee, in pursuance of the public interest, develops additional lines of inquiry or changes its process. In the early stages of implementing the amended BTAA, it is recognized that Service Plans may not completely meet expectations. The guide will assist the Select Standing Committee to determine whether Crown Corporations are making reasonable progress towards meeting the BTAA requirements and expectations and to identify opportunities for these corporations to improve their plans.

The attached Table 2 poses key questions for the Committee to consider. The SSCCC will assess how well the key questions are addressed in the Service Plans and form an overall judgment on the extent to which the information provided meets the amended BTAA requirements and expectations. Information will generally meet expectations if it addresses all the key questions and contains no significant deficiencies. Committee members are encouraged to identify the strengths and weaknesses of Service Plans, to identify areas that need improvement and to provide suggestions on how the Service Plans (or Annual Reports) can be improved.

COMMITTEE MEETINGS

The SSCCC plans to meet every 2 weeks, starting at the Chair's discretion. Each meeting will be scheduled for 3.5 hours. The Chair and Deputy Chair will determine the schedule for the meetings with the senior officers of Crown Corporations, with the assistance of the Office of the Clerk of Committees.

Meeting time will be divided up as follows:

- 1 hour for the presentation by a Crown Corporation;
- 1 hour for questions and discussion;
- 0.5 hours to discuss recommendations for the report;
- 0.5 hours for review of decisions taken at the previous meeting; and
- 0.5 hours for distribution and review of materials for next meeting.

REPORTING

The SSCCC may report to the Legislative Assembly the results of its review of Crown Corporations, contemporaneously with the tabling in the Legislative Assembly of the Service Plans and Annual Reports by respective ministers. The Committee will include in its reports, a summary of the answers provided to the Committee by a Crown Corporation in response to the questions set out in Table 2.

This summary is designed to inform the Legislature:

1. whether the objectives and activities of the corporations are consistent with the corporations' mandates, designated core services and government's strategic plans and priorities;
2. whether the Annual Reports and Service Plans contain sufficient information to enable the Legislature and the public to make an informed judgment on plans and performance;
3. whether the Annual Reports and Service Plans clearly establish the linkage with the provincial budget and sector policies; and
4. whether recommendations for improvement are needed.

The Chair and Deputy Chair will prepare the reports to the Legislature, with the assistance of the Office of the Clerk of the Committees.

CONCLUSION

The agenda and procedure subcommittee of the SSCCC, which drafted this guide, consisted of Ken Stewart, MLA for Maple Ridge, Bill Bennett, MLA for East Kootenay and Dave Hayer, MLA for Surrey Tynehead.

Given that the Committee has not been convened for approximately 20 years and that Service Plans are new to most Crown Corporations, the subcommittee points out that this guide and the Committee's review process will be dynamic and that no template will fit every circumstance. The real measure of the Committee's performance will be the extent to which Crown Corporations are made more responsive, more accountable and more open to the taxpayers of British Columbia.

SCHEDULE "A":
STATUS OF CROWN CORPORATIONS AND AGENCIES - April 2003

Crowns Agencies with Ongoing Operations:

- BC Arts Council (MCAWS)
- BC Assessment Authority (MSRM)
- BC Buildings Corporation (MMS)
- BC Games Society (MCAWS)
- BC Hydro (MEM)
- BC Lottery Corporation (MPSSG)
- BC Pavilion Corporation (MCSE)
- BC Rail Group (MoT)
- BC Securities Commission (MCSE)
- BC Transportation Financing Authority* (MoT)
- BC Transit (MoT)
- BC Utilities Commission (MEM)
- Creston Valley Wildlife Management Authority (MWLAP)
- First Peoples Heritage, Language and Cultural Council (MCAWS)
- Homeowner Protection Office (MCAWS)
- Insurance Corporation of BC (MFin)
- Land and Water BC (MSRM)
- Legal Services Society (MAG)
- Liquor Distribution Branch (MCSE)
- Oil and Gas Commission (MEM)
- Organized Crime Agency of BC (MPSSG)
- Partnerships BC (MFin)
- Provincial Capital Commission (MCAWS)
- Rapid Transit Project 2000 Ltd.* (MoT)
- Royal BC Museum (MCAWS)
- Science Council of British Columbia (MCSE)
- Tourism BC (MCSE)
- Vancouver Convention Centre Expansion Project Ltd. (MCSE)

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* Crown agency exempt from s.13 (service plans), s.14 (major capital project plans) and s.16 (annual service plan reports) of the *Budget Transparency and Accountability Act* by OIC 134 dated Feb 19, 2002, or by OIC 122 dated February 14, 2003. Rationale for these exemptions has been that organizations are inactive, winding up, or their activities are reported through another organization.

Crown Agencies still to receive final Core Services Review direction:

- BC Housing Management Commission (Provincial Rental Housing Corporation*) (MCAWS)
- Columbia Basin Trust (MEM)
- Columbia Power Corporation (MEM)

Crown Agencies that are inactive, winding up, or no longer in existence:

- 552513 BC Ltd. (Skeena Cellulose)* (MCSE)
- 577315 BC Ltd. (Western Star Trucks)* (MCSE)
- 580440 BC Ltd. (Financing for VTCC)* (MCSE)
- BC Community Financial Services Corporation (Four Corners Bank)* (MCSE)
- BC Enterprise Corp.* (MCSE)
- BC Ferry Corporation* (MoT)
- BC Festival of the Arts* (MCAWS)
- BC Health Care Risk Management Society* (MHS)
- BC Health Research Foundation* (MHS)
- BC Heritage Trust* (MCAWS)
- BC Trade Development Corp.* (MCSE)
- Canadian Blood Services* (MHS)
- Discovery Enterprises Inc.* (MFin)
- Fisheries Renewal BC* (MAFF)
- Forensic Psychiatric Services Commission* (MHS)
- Forestry Renewal BC* (MoF)
- Industry Training and Apprenticeship Commission* (MAE/MSDL)
- Job Protection Commission (MCSE)
- Okanagan Valley Tree Fruit Authority* (MAFF)
- Pacific National Exhibition* (MCSE)
- Private Post Secondary Education Commission* (MAE)
- Vancouver Trade and Convention Centre Authority* (MCSE)
- Victoria Line Ltd.* (MoT)

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TABLE 1:
CHECKLIST FOR CROWN CORPORATIONS

Minimum Information Requirements	Comments
Organization Overview • Description of primary business activities • Enabling legislation • Location • Subsidiaries	
Strategic Context • Vision • Mission • Values • Environmental Scan • Strategic Issues • Key Risks	
Strategic Shifts • Strategic shifts since Core Review	
Performance Information • Goals • Objectives • Key Strategies • Performance Measures • Targets	
Government's Strategic Plan • Alignment with government's strategic priorities	
Summary Financial Outlook for the Plan Period • Total revenue • Total expenses • Major sources of revenue • Major sources of expenses • Operating income or loss • Net income or loss • Key forecast assumptions • Forecast risks and sensitivities	
Major Capital Project Plan (where relevant) The following with respect to anticipated or actual capital costs: • The amount of money • The value of any land, facilities, rights or other benefits • The amount of any guarantees contributed	

Minimum Information Requirements	Comments
Information on Operating Segments (where relevant) • Goals and/or objectives • Key strategies • Performance measures • Targets • Relationship between goals and objectives of the operating segments and the goals and objectives of the organization as a whole	
Other Requirements • An explanation for any confidential information excluded from the Service Plan.	

TABLE 2: KEY REPORTING PRINCIPLES

Questions	Yes	Partly	Not At All	Comments
1. Does the plan adequately explain the organization's mandate, core products and services, operating environment and major challenges?				
2. Does the plan focus on aspects of performance that are critical to the organization achieving its goals, objectives and intended results?				
3. Are the goals and objectives well defined and consistent with and supportive of the achievement of the mandate?				
4. Is the intended level of performance for the planning period specified?				
5. Are the intended results clear, measurable, concrete and consistent with goals or objectives?				
6. Has the plan demonstrated satisfactorily that intended results represent a reasonable/appropriate level of achievement given: • Historical performance, • Resources available to the organization, and • Performance of similar organizations.				
7. Does the plan demonstrate how resources and strategies will influence results?				
8. Are financial and non-financial performance measures provided to give an integrated and balance picture of intended performance?				
9. Is the planned contribution of key activities to intended results or goals/objectives adequately demonstrated?				
10. Are actual (Annual Report) and intended (Service Plan) performances set out in a clear comparison?				
11. Are the relevant core principles enunciated by Government policies evident in the planning and operations?				

Other General Comments: